



DEPARTMENT OF TRANSPORTATION

RESEARCH & INNOVATIVE TECHNOLOGY ADMINISTRATION

[Docket ID Number RITA **2008-0002**]

Agency Information Collection; Activity Under OMB Review; Report of Financial and Operating Statistics for Large Certificated Air Carriers

AGENCY: Research & Innovative Technology Administration (RITA), Bureau of Transportation Statistics (BTS), DOT.

ACTION: Notice.

SUMMARY: In compliance with the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 et seq.), this notice announces that the Information Collection Request (ICR) abstracted below is being forwarded to the Office of Management and Budget (OMB) for reinstatement of an expired approved collection. The ICR describes the nature of the information collection and its expected burden. The Federal Register Notice with a 60-day comment period soliciting comments on the following collection of information was published on January 27, 2011 (76 FR 4992). The Bureau of Economic Analysis at the Department of Commerce submitted comments in support of the continuation of the data collection.

DATES: Written comments should be submitted by [insert date 30 days after date of publication in Federal Register].

FOR FURTHER INFORMATION CONTACT: Jeff Gorham, Office of Airline Information, RTS-42, Room E34-414, RITA, BTS, 1200 New Jersey Avenue, SE., Washington, DC 20590-0001, Telephone Number (202) 366-4406, Fax Number (202) 366-3383 or EMAIL jeff.gorham@dot.gov.

COMMENTS: Send comments to the Office of Information and Regulatory Affairs, Office of Management and Budget, 725-17th Street, NW, Washington, DC 20503, Attention: RITA/BTS Desk Officer.

SUPPLEMENTAL INFORMATION:

OMB Approval No. 2138-0013

Title: Report of Financial and Operating Statistics for Large Certificated Air Carriers.

Form No.: BTS Form 41.

Type Of Review: Reinstatement of an expired approved collection.

Respondents: Large certificated air carriers.

Number of Respondents: 76.

Estimated Time per Response: 4 hours per schedule, an average carrier may submit 90 schedules in one year.

Total Annual Burden: 27,360 hours.

Needs and Uses: Program uses for Form 41 data are as follows:

Mail Rates

The Department of Transportation sets and updates mainline Alaska mail rates based on carrier aircraft operating expense, traffic and operational data. Form 41 cost data, especially fuel

costs, terminal expenses, and line haul expenses are used in arriving at rate levels. DOT revises the established rates based on the percentage of unit cost changes in the carriers' operations. These updating procedures have resulted in the carriers receiving rates of compensation that more closely parallel their costs of providing mail service and contribute to the carriers' ability to continue providing service.

Submission of U.S. Carrier Data to ICAO

As a party to the Convention on International Civil Aviation, the United States is obligated to provide the International Civil Aviation Organization with financial and statistical data on operations of U.S. air carriers. Over 99 percent of the data filed with ICAO is extracted from the carriers' Form 41 reports.

Carrier Fitness

Fitness determinations are made for both new entrants and established U.S. carriers proposing a substantial change in operations. A portion of these applications consists of an operating plan for the first year (14 CFR Part 204) and an associated projection of revenues and expenses. The carrier's operating costs, included in these projections, are compared against the cost data in Form 41 for a carrier or carriers with the same aircraft type and similar operating characteristics. Such a review validates the reasonableness of the carrier's operating plan.

Form 41 reports, particularly balance sheet reports and cash flow statements, play a major role in the identification of vulnerable carriers. Data comparisons are made between current and past periods in order to assess the current financial position of the carrier. Financial trend lines are extended into the future to analyze the continued viability of the carrier. DOT reviews three areas of a carrier's operation: (1) the qualifications of its management team, (2) its

disposition to comply with laws and regulations, and (3) its financial posture. DOT must determine whether or not a carrier has sufficient financial resources to conduct its operations without imposing undue risk on the traveling public. Moreover, once a carrier is operating, DOT is required to monitor its continuing fitness.

Senior DOT officials must be kept fully informed as to all current and developing economic issues affecting the airline industry. In preparing financial conditions reports or status reports on a particular airline, financial and traffic data are analyzed. Briefing papers may use the same information.

Pending Rulemaking

On July 15, 2011, the Department published a Notice of Proposed Rulemaking (NPRM) proposing to collect certain Form 41 revenue information on airline-imposed fees in a more detailed manner (see 76 FR 41726). Many air carriers have adopted *a la carte* pricing with separate fees for certain optional services that use to be included in the ticket price. Carriers currently report excess baggage fees, reservation cancellation fees and miscellaneous operating revenues. The proposed rule would require carriers to report, (1) itinerary related fees, (2) seating assignment fees, (3) baggage fees broken down between first and second checked bags, carry-on bags and other bags, (4) unaccompanied minor/passenger assistance fees, and (5) other fees. The Department wants to make airline pricing more transparent to consumers and airline analysts.

Administrative Issues

The Confidential Information Protection and Statistical Efficiency Act of 2002 (44 USC 3501 note) requires a statistical agency to clearly identify information it collects for non-statistical purposes. BTS hereby notifies the respondents and the public that BTS uses the

information it collects under this OMB approval for non-statistical purposes including, but not limited to, publication of both Respondent's identity and its data, submission of the information to agencies outside BTS for review, analysis and possible use in regulatory and other administrative matters.

Issued in Washington, DC, on March 20, 2012

Patricia Hu

Director, Bureau of Transportation Statistics

Research and Innovative Technology Administration

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